

1 ROB BONTA, State Bar No. 202668  
Attorney General of California  
2 MARIA G. CHAN, State Bar No. 192130  
Supervising Deputy Attorney General  
3 LUCAS L. HENNES, State Bar No. 278361  
Deputy Attorney General  
4 1300 I Street, Suite 125  
P.O. Box 944255  
5 Sacramento, CA 94244-2550  
Telephone: (916) 210-7323  
6 Fax: (916) 322-8288  
E-mail: Lucas.Hennes@doj.ca.gov  
7 *Attorneys for Appellee Brian Cates*

8  
9 IN THE UNITED STATES DISTRICT COURT  
10 FOR THE EASTERN DISTRICT OF CALIFORNIA  
11

12  
13 **RAYMOND E. PEYTON,**

14 Appellant,

15 **v.**

16  
17 **KATHLEEN ALLISON, PETER ALDANA,**  
18 **ROB BONTA, AND BRIAN CATES,**

19 Appellees.  
20  
21  
22  
23  
24  
25  
26  
27  
28

Case No. 1:23-cv-00760-JLT

**APPELLEE'S ANSWERING BRIEF**

**TABLE OF CONTENTS**

	<b>Page</b>
INTRODUCTION .....	1
ISSUE PRESENTED .....	1
STATEMENT OF THE CASE .....	1
SUMMARY OF ARGUMENT .....	2
ARGUMENT .....	2
PEYTON CANNOT OVERTURN HIS CRIMINAL CONVICTION NOR SEEK RELEASE FROM PRISON THROUGH BANKRUPTCY .....	2
CONCLUSION .....	4

# TABLE OF AUTHORITIES

## Page

### CASES

<i>Ex Parte Bollman</i> 8 U.S. 75 (1807) .....	3
<i>In re EPD Investment Co., LLC</i> 523 B. R. 680 (9th Cir. BAP 2015).....	1
<i>In re Gruntz</i> 202 F.3d 1074 (9th Cir. 2000).....	3
<i>In re Lockett</i> 612 B.R. 408 (Bankr. D.N.M. 2020).....	3
<i>Nettles v. Grounds</i> 830 F.3d 922 (9th Cir. 2016).....	3
<i>New Falls Corp. v. Boyajian (In re Boyajian)</i> 564 F.3d 1088 (9th Cir. 2009).....	1
<i>Preiser v. Rodriguez</i> 411 U.S. 475 (1973) .....	2

### STATUTES

California Penal Code § 269.....	1
-------------------------------------	---

## INTRODUCTION

On January 17, 2023, Appellant Raymond Eugene Peyton filed an adversary proceeding in the United States Bankruptcy Court of the Eastern District of California. His main objective in doing so: to obtain release from state prison, where he is serving a sentence for aggravated sexual assault of a minor by force. Among other wild claims, Peyton asserted that the state court judgment was a fraudulent executory contract to which he had not agreed, and therefore he had been wrongfully imprisoned under an illegal “judicial lien.” The Bankruptcy Court correctly dismissed the adversarial proceeding for lack of jurisdiction as Peyton’s exclusive remedy lies in habeas, not in bankruptcy. Undeterred, however, Peyton brought this meritless appeal before this Court, alleging—without evidence—that the Bankruptcy Judge “ignored dozens of citations affirming his ability to act in the instant action and . . . misstated the jurisdiction of his Court” and that Peyton is now “left in limbo with no remedy at Law.” (Appellant’s Opening Brief (AOB) at 1-2.) Appellee<sup>1</sup> respectfully requests that the Court reject Peyton’s baseless appeal and affirm the Bankruptcy Court’s order in full.

## ISSUE PRESENTED

Does a Bankruptcy Court have subject-matter jurisdiction to hear a state prisoner’s challenge to his underlying conviction and incarceration? As a legal conclusion (and because the adversary complaint was dismissed for failure to state a claim), this issue is reviewed de novo. *New Falls Corp. v. Boyajian (In re Boyajian)*, 564 F.3d 1088 (9th Cir. 2009); *In re EPD Investment Co., LLC*, 523 B. R. 680, 684 (9th Cir. BAP 2015).

## STATEMENT OF THE CASE

In 2007, Peyton was convicted of four separate counts of aggravated sexual assault and penetration by force, violence, duress, menace, or fear, in violation of California Penal Code section 269, and he was sentenced to a 60 year term in state prison. (Bankruptcy Court Docket (BCD) No. 39 at pp. 1-2.) Peyton filed chapter 7 bankruptcy and the underlying adversary proceeding in an attempt to void his criminal conviction and obtain release from prison, on the

---

<sup>1</sup> Appellee Brian Cates is the only party who was served in the lower court proceeding and is therefore the only party appearing through this brief.

1 grounds that his indictment was an illegal “executory contract” that cannot be enforced. (BCD  
2 No. 7.)

3 On March 14, 2023, the Bankruptcy Court issued an Order to Show Cause, noting that it  
4 lacked subject-matter jurisdiction over Peyton’s claims “because federal bankruptcy courts have  
5 no jurisdiction to invalidate the results of state criminal proceedings.” (BCD No. 39 at p. 3.)  
6 Because Peyton’s complaint challenged the fact or duration of his confinement in state prison,  
7 and because all his other sought relief was derivative of that challenge, Peyton was ordered to  
8 explain why the Bankruptcy Court should not dismiss the adversary proceeding for lack of  
9 subject-matter jurisdiction. (*Id.* at p. 5.) On March 27, 2023, Peyton responded to the Order to  
10 Show Cause. (BCD No. 56.)

11 On May 4, 2023, after a hearing on the Order to Show Cause, the Bankruptcy Court  
12 dismissed the adversary proceeding without prejudice and without leave to amend for the reasons  
13 stated in the Order to Show Cause. (BCD No. 75.) Peyton’s Notice of Appeal followed shortly  
14 thereafter. (BCD No. 82.)

### 15 SUMMARY OF ARGUMENT

16 Bankruptcy Courts have no jurisdiction to invalidate the results of state criminal  
17 proceedings. Peyton’s sole federal remedy is a petition for writ of habeas corpus, and he cannot  
18 obtain release from prison—or any of his other requested relief—through bankruptcy.

### 19 ARGUMENT

#### 20 PEYTON CANNOT OVERTURN HIS CRIMINAL CONVICTION NOR SEEK 21 RELEASE FROM PRISON THROUGH BANKRUPTCY.

22 Peyton alleges that the Bankruptcy Court erred in dismissing his adversary proceeding, and  
23 he seeks to have this Court “recall” his conviction and return him to his family home in Riverside,  
24 California. (AOB at p. 17.) Peyton is mistaken, and his appeal should be dismissed.

25 “[W]hen a state prisoner is challenging the very fact or duration of his physical  
26 imprisonment, and the relief he seeks is a determination that he is entitled to immediate release or  
27 a speedier release from that imprisonment, his sole federal remedy is a writ of habeas corpus.”  
28 *Preiser v. Rodriguez*, 411 U.S. 475, 500 (1973). “Although the writ of habeas corpus has

1 common law roots and is protected in the Constitution, the power to award the writ [of habeas  
2 corpus] by any of the courts of the United States, must be given by written law — a statute.” *In*  
3 *re Lockett*, 612 B.R. 408, 411 (Bankr. D.N.M. 2020) (citing *Ex Parte Bollman*, 8 U.S. 75, 554  
4 (1807)). No such power has ever been granted to a bankruptcy court. *See Lockett*, 612 B.R. at  
5 411-414 (finding that bankruptcy courts lack jurisdiction to entertain requests from debtors for  
6 release from federal or state prison). Indeed, “[t]he federal habeas corpus statute was ‘explicitly  
7 and historically designed to provide the means for a state prisoner to attack the validity of his  
8 confinement.’ An adversary proceeding in bankruptcy is not.” *In re Gruntz*, 202 F.3d 1074, 1086  
9 (9th Cir. 2000).

10 Rather than rebut this point—which has been at issue since the Bankruptcy Court’s Order to  
11 Show Cause and is the *only* issue in this appeal—Peyton’s Opening Brief is filled to the brim  
12 with inane conspiracy theories, incorrect statements of law, and absurd assertions of attorney  
13 misconduct. For example, Peyton alleges that he has been kidnapped by the California  
14 Department of Corrections and Rehabilitation (AOB at p. 9), that the use of his name in all caps  
15 constitutes “copyright infringement” (*id.* at p. 4), that the Riverside County Superior Court was  
16 actually an Admiralty Trial Court that issued a “civil contract with a criminal penalty” (*id.* at p.  
17 5), and that he was not actually indicted, but was only the “receptient [sic] of ‘charges’ against his  
18 corporate entity” (*id.* at p. 6). None of these nonsensical assertions—indeed, none of the  
19 assertions in the entire brief—have any bearing on the Bankruptcy Court’s lack of subject-matter  
20 jurisdiction over state court criminal judgments.

21 Throughout his brief, and throughout this entire case, Peyton seeks to fit a square peg (his  
22 criminal conviction and incarceration) into an unrelated round hole (admiralty and contract law).  
23 To the extent Peyton believes his incarceration is unlawful, he has a clear remedy under federal  
24 law: a petition for writ of habeas corpus. *Nettles v. Grounds*, 830 F.3d 922, 934 (9th Cir. 2016).  
25 His claims to the contrary are simply distractions from the *only* issue at hand in this appeal:  
26 whether the Bankruptcy Court has jurisdiction. It does not. The Court must affirm the  
27 Bankruptcy Court’s order.

28 ///

**CONCLUSION**

Peyton's claims were not properly before the United States Bankruptcy Court because the Court does not have jurisdiction to overturn Peyton's conviction. As such, this appeal lacks any merit. Appellee respectfully requests the Court dismiss the appeal and affirm the Bankruptcy Court's order.

Dated: July 13, 2023

Respectfully submitted,

ROB BONTA  
Attorney General of California  
MARIA G. CHAN  
Supervising Deputy Attorney General

*/s/ Lucas L. Hennes*

LUCAS L. HENNES  
Deputy Attorney General  
*Attorneys for Appellee Brian Cates*

SA2023301045  
37323010.docx

**DECLARATION OF SERVICE BY U.S. MAIL**

**Case Name: *Raymond E. Peyton v. Kathleen Allison, et al.***  
**District Court Case No.: 1:23-cv-00760-JLT**  
**Bankruptcy Court Case No.: 22-11350-B-7**  
**Adversary Proceeding No.: 23-01003**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On **July 13, 2023**, I served the attached **APPELLEE'S ANSWERING BRIEF** by placing a true copy thereof enclosed in a sealed envelope in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Raymond E. Peyton - F-87541  
Avenal State Prison  
P.O. Box 905  
Avenal, CA 93204

*In Pro Per*

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on **July 13, 2023**, at Sacramento, California.

D. Kulczyk  
Declarant

/s/ D. Kulczyk  
Signature